

PRESIDENT MOUL: Senator Landis.

SENATOR LANDIS: Thank you, Madam President. Mr. Clerk, members of the Legislature, there are three elements of this amendment, which I, as you recall, highlighted for your attention when this bill was on General File, and I put them in the Journal to give you time to look at them. There are three basic changes. First, we made an error by using the word "unsecured" in connection with senior obligations of an obligor with respect to the investment code and that the use of that word needs to be stricken. It is a technical suggestion suggested by the Department of Insurance and members of the investment task force that drafted the proposal. Secondly, the amendment clarifies the relationship of the investment act to foreign and alien insurance companies. Foreign insurance companies are companies which are domiciled in another state but are doing business in Nebraska. Alien insurance companies are companies which are domiciled in another country but are doing work in Nebraska. An investment code applies to both foreign and alien insurance companies. Secondly, that we accept their investment portfolio in the event it is in accordance with the law of their domiciliary state with one exception, and that is should the director give affirmative notice to the company that we do not accept certain portions of the investment portfolio, then we would be able to override the legality of the domiciliary state with respect to a company doing business in this state. That, too, has been a matter of some negotiation between the department and the range of insurance companies who have been advised as to LB 237. Finally, there is an amendment of the provisions of LB 285 with its committee amendments into LB 237 for two reasons. First, this allows us to collapse some of the workload of the committee and the floor and, secondly, because this is the appropriate home for those provisions. The investment code is the appropriate place for the provisions of 285. LB 285 is an alteration of our existing law, a rather old aspect of our law, which does not permit a domestic insurance company from purchasing or selling insurance to their own officers and employees, nor to making them any kind of a loan. Well, it is common for a company to wish to help with respect to an officer, who intends to move to town, to assist with moving expenses, or even, in fact, the purchase of a home. The requirement of the bill is that any transaction be at fair market value, that it be given specific notice to the director for the director's approval, that the approval must be given, and in the event that approval is not given within 30 days, then